

# Mentor Protégé



Protégés

## 8(a) Mentor Protégé Program

*Presented By:*  
Mary Drobot/New Mexico District SBA Office

# **OUTLINE**

**Purpose of the Program**

**Selecting a Mentor**

**Program Rules**

**Participation/Compliance  
Requirements**

**Best Practices**

# REFERENCE

**13 CFR § 124.520**

**“What are the rules governing  
SBA’s Mentor/Protégé program?”**

## Purpose of the Program



## 8(a) Mentor Protégé Program

***Designed to facilitate lasting mutually-beneficial business relationships between partners in the private sector.***



## **Federal Buyers Benefit from:**

- **Increased industrial capacity.**
- **Enhanced market research capabilities.**
- **Expanded solutions from 8(a) offers.**
- **Expanded list of 8(a) service providers and suppliers.**



## **Mentors Benefit from:**

- **Relationships with qualified small subcontractors and suppliers in order to:**
  - **Strengthen proposals.**
  - **Meet the targets of small business subcontracting plans.**

## **Protégés Benefit from:**

- **Management and technical assistance from successful government contractors.**
- **Beneficial Developmental Assistance Agreements, which are at the core of your mentor-protégé agreements.**



## “Selecting” a Mentor



# Program Rules



# Qualifications for Mentors

## MENTORS MUST:

- Have favorable financial health.
- Demonstrate good character.
- Not appear on the Federal list of debarred or suspended contractors.
- Demonstrate knowledge and ability to strengthen Protégé capabilities.

# Qualifications for Protégés

## PROTÉGÉS MUST:

- Be in good standing with at least six months remaining in the 8(a) program;
- And either:
  - Be in the developmental stage; or
  - Have never been awarded an 8(a) contract; or
  - Have a size less than half your primary NAICS code.

# **Mentor Protégé Proposal Package**

**Contains the Developmental Assistance Agreement, including:**

- **Assessment of the Protégé's needs.**
- **Detailed descriptions & timelines for delivering at least one year of assistance.**
- **Establishing a single point of contact (POC) at the proposed Mentor's firm.**

# Mentor Protégé Proposal

**Developmental Assistance Agreement  
must be tied to the Protégé's SBA-  
approved business plan.**





# Mentor Protégé

## Developmental Assistance May Include:

- **Identifying opportunities, marketing & teaming;**
- **Equity investments/loans;**
- **Enhanced operations (HR, IT infrastructure, financial management system);**
- **Increased bonding capacity.**

## Mentor Protégé Approval Process

- Submitted by proposed Protégé;
- Reviewed by District, referred, with recommendations to HQ;
- HQ approval sent to District;
- Approval issued by District.



# Mentor Protégé Proposal

- **Must be sufficient to promote real developmental gains;**
- **Must not be merely a vehicle to obtain 8(a) contracts;**
- **Must include 30-day “op out” clause.**

# Declined Mentor Protégé Proposal

- Request for reconsideration submitted by proposed Protégé within 45 days.
- Decision on request issued by HQ within 45 days.
- Second request for reconsideration where HQ declines for new reasons.
- Firm may resubmit after 60 days or propose a different Mentor.

# Participation/Compliance Requirements



# Checklist for Mentors

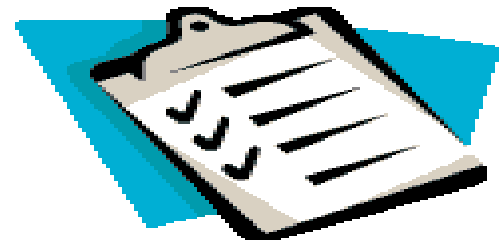
- **Three years of tax returns, audited financials or SEC filings.**
- **D&B/SAM profile.**
- **Narrative certifying absence of debarments, suspensions or other responsibility issues.**





# Checklist for Protégés

- **Properly negotiated Developmental Assistance Agreement.**
  - **Updated business plan.**
  - **Most recent approved Annual Review.**
  - **Mentor Protégé worksheet.**
  - **CCR profile.**
- 
- A stylized illustration of a clipboard with a white sheet of paper. The paper has a checklist with several horizontal lines and two checkmarks. A black pencil is positioned diagonally across the bottom right of the paper. The entire clipboard is set against a solid blue background.



## Needed for Annual Review

- **Type/hours of technical/management assistance received;**
- **Loans/equity investments**
- **Number/value of subcontracts**
- **Federal contract/task awards to JV**
  - **Number and value of set-asides**
  - **Number and value of unrestricted awards**
  - **Percentage of work performed/revenue**
- **Narrative on success/problems**
- **Changes in the terms of the agreement**

# Answers to Frequent Questions

- A firm may not be both a Mentor and a Protégé at the same time.
- Non-profit organizations may serve as Mentors.
- A Mentor may have up to 3 Protégés; however, the Protégé companies may not be “competitive” businesses.

## Protégés May Have Two Mentors If:

- Added relationship pertains to an unrelated secondary NAICS Code;
- Protégé is seeking expertise the existing mentor does not possess;
- Additional relationship will not compete/conflict with the existing Mentor Protégé relationship.

## **If Warranted, SBA may:**

- **Terminate the agreement (Mentor ineligible for 2 years).**
- **Recommend a stop work order on any 8(a) contract awarded JV.**
- **Authorize a substitution for the protégé performing under a JV.**
- **Identify grounds for Government-wide suspension or debarment.**

## BEST PRACTICES





## Best Practices

- Check for indicators that suggest possible affiliation between the proposed entities.
- Provide signed copies of subcontracts and teaming agreements between the Mentor & Protégé.
- Provide a signed copy of any non-SBA MP Agreement.
- Check for the duplication of assistance if the applicant is in an approved non-SBA MP relationship.

# Best Practices

- Provide the Mentor's **most current** CY/FY **three years** of audited financial statements **or** **signed** Federal tax returns submitted to the IRS.
- Ensure that the DD Letter is signed.
- Ensure that the **How**, **Who** (*identify title*), and **When** are thoroughly addressed in the MPA.

# Best Practices

- **Use only the current templates from the SBA Employee Gateway (YES Page).**
- **Provide a signed copy of the approval letter from the Protégé's most current Annual Review.**
- **Ensure that the file is properly assembled.**

## **Quick Review:**

**Purpose of the Program**

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*QUESTIONS?*

*THANK YOU*

